Internal Revenue Service

Appeals Office

Release Number: 200952069

Date: 12/24/09 Date: 11/2, 2009

UIL Code: 509.03-30

Department of the Treasury

Person to Contact:

Employee ID Number:

Tel:

Refer Reply to:

AP: In Re:

EO Revocation

Employer Identification Number:

Tax Period(s) Ended:

Last Day to File a Petition with the United States Tax Court:

Not Applicable

Certified Mail

Dear

This is a final adverse determination as to your exempt status under section 501(c)(3) of the Internal Revenue Code (IRC). It is determined that you do not qualify as exempt from Federal income tax under IRC Section 501(c)(3) effective xxxx xx xxxx. You are in agreement to this final adverse determination.

Our adverse determination was made for the following reason(s):

It was determined that your activities are not exclusively charitable. Your primary activity of influencing local environmental legislation does not qualify it for exemption under section 501(c)(3).

Contributions to your organization are not deductible under Code section 170 as of xxxx xx xxxx.

We will notify the appropriate State officials of this action, as required by Code section 6104(c). You should contact your state officials if you have any questions about how this determination may affect your state responsibilities and requirements.

You also have the right to contact the Office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal Appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free, 1-877-777-4778, and ask for Taxpayer Advocate Assistance.

See the enclosed Notice 1214, Helpful Contacts for Your "Notice of Deficiency" for additional Taxpayer Advocate telephone numbers and addresses.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

TEAM MANAGER

Enclosure: Notice 1214

Cc:



DEPARTMENT OF THE TREASURY Internal Revenue Service

Legend
ORG= Name of organization
EIN= EIN of organization
NN= Name of individual

Taxpayer Identification Number:

EIN

Form:

Tax Year(s) Ended:

Person to Contact/ID Number.

ORG

Contact Numbers: Telephone:

Fax

Certified Mail - Return Receipt Requested

Dear

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, The Examination Process, and Publication 892, Exempt Organizations Appeal Procedures for Unagreed Issues, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

Letter 3618 (04-2002) Cetalog Number 34809F If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of exemination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your evallable administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Cleims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 5104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate excietance is not a substitute for established IRS procedures, such as the formel appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to fite a patition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and sak for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this tetter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thenk you for your cooperation.

Sincerely,

R.C. Johnson Director, EO Examinations

Enclosures: Publication 892 Publication 3498 Report of Examination

Form 886-A	EXPLANATIONS OF ITEMS		Schodule number or exhibit
(Rev. January 1994)			Addendum to Lr 3618
Name of Lexpayer		Tax identification Number	Year/Period entred
			31, 200
ISSUES:			
Whether the tax exempt s	mans of this organization desice of the purposes specified in	cribed under section 501(c)(3) should be a such section.	e revoked since their activities are not
exclusively for one or mo	It of the best desired		
FACTS:			
organization as stated in t	he Certificate of Incorporation	a are as follows:	6, 19 The purposes of the
Town of the region	on of which the sper	"	
brought against the Plans the approval given to the into 104 building	by the Planning Board lots for single family home	ard for the subdivision of about 310 acress.	ners in an Article 78 proceeding The litigation attacked as of undeveloped land in the Town of
		i 89% of total expenses for that year.	
server affecting the curren	K Lesiquare:	s the impact of this project on the scho	
numerous letters to the of	ney feel about upcoming proje	ebuite which encourages readers to "por hea links to Government and agency si- ects.	
with lobbying efforts on s	Mebel. I lucian immigrate and a	it indicates that "Mr. Called once again ontained the following statement: "Mr., we may lose our not-for-profit status. He c-mail or given to him on floppy discs.	te will review the drafts with that in
environment and quality of believe that your town an	d village combine priceless er	dated 9/27/04 you state your goals are Town of ***********************************	ificant areas, important architectural
	ed a reader to believe that any	y printed material regarding your activition from continuing to qualify under a	وروا ومنوسية المعممانين مرمط مبادئين مبينية

Form 886-A (Rev. January 1994)	EXPLANATIONS OF ITEMS	Schedule number or exhibit Addendum to Lr
Name of texpayer	Tax Identification Number	Year/Period ended
		31,200

LAW:

Resp. 1.501(c)(3) -1(a)(1) provides, in part, that an organization will pass the operational test if it operates exclusively for charitable purposes only if it engages primarily in activities that accomplishes those exempt purposes for which the organization was formed.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption from Federal Income Tax of organizations which are organized and operated exclusively for charitable purposes, no part, of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Section 501(c)(3) - 1(d)(2) of the regulations defines the term "charitable" to include the advancement of education and the promotion of social welfare by organizations designed to combat community deterioration. Section 501(c)(3) - 1(c)(3) of the regulations defines an organization as an "action" organization if a substantial part of its activities is attempting to influence legislation. The term legislation is defined as including actions by any local council or similar governing body, or by the public in a referendum.

Revenue Ruling 67-6, 1967 CB 135 states, in part, that an organization was formed to preserve the traditiona, architectural style, and scenic appearance of an historic community. The primary activity of the organization consists of reviewing zoning matters affecting the community, opposing applications for changes or variances considered detrimental to the traditions of the community. The organization opposes such changes through appearances before local council, administrative boards and commissions. They implement these activities by encouraging members of the community to contact local legislative representatives in support of the organization's programs. This constitutes a substantial part of the organization's activities.

Combatting community deterioration through remedial action leading to the elimination of the physical, economic, and social causes of such deterioration is "charitable". Preserving and maintaining a historic or scenic area for the benefit and education of the general public also is "charitable."

However, preserving the traditions, architecture, and appearance of a community for the benefit solely of residents of the community (as distinguished from the general public both within and without the community involved) is not charitable. While such activities promote the common good and accernl welfare of the people of the community under section 501(c)(4) of the Code, they are not the promotion of social welfare within the scope of "charitable" under section 501(c)(3) as defined in the applicable regulations.

Furthermore, since the organization as a substantial part of its activities is engaged in attempts to influence local legislative representatives with respect to the organization's programs, it is an "action" organization within the contemplation of section 501(c)(3) - 1(c)(3)(ii) of the regulations.

In view of the above, the organization described in this revenue ruling is not operating exclusively for charitable or the promotion of social welfare within the purview of section 501(c)(3).

Form 886-A (Rev. January 1994)	EX	PLANATIONS OF ITEMS	Schedute number or earlibit Addendum to Lr 3618
		Tax Identification Number	Year/Period ended
Name of texpeyer			
			31, 200
Texpayer's Position:			
"Public interest organization neighborhoods and meinte	nance of this envisible qualit	res that they continue to qualify under section 501(c) on of the natural environment, preservation of history of life for the residents of the section of its neighbor charitable since they provide printed material or	boring communities"
and how these development of the Village	re of the waterance prop	and other overestiments	
and conservation commiss	100 trestings.	y deterioration by attending and summarizing all to	
Taxpayer further states the events.	n they are educational since (they sponsor environmental forums and information	n booths at community
Government's Position:			
Ouring the course of this a	udit for the period coded	31, 200 the following was determined;	
Form 990 Return for Orga	nization exempt from moon	of your organization, it was determined that you were Tax since your organization did not exceed \$	
were for this activity. Acc your readers in your print	cordingly, a substantial part of ad materials to contact legisla 01(c)(3) - 1(c)(3)(ii).	the Planning Board of the Town of the Whice building lots for single family homes. In fact 8 of your activities was engaged in influencing local tative administrators, your organization is an "action	egislation. Also advising "organization within the
3) Preserving the tradition Ruling 67-6, 1967-1 CB 1	s, architectural appearance fe	or the residents of the community is not a charitable	enctivity noted in Revenue
CONCLUSION:		and the law and Roos cised shows	, your organization does not
		turing this sadit, and the Law and Regs cited above erational test noted in Regs. 1.501(c)(3) - 1(a)(1).	
-	o revoke your status under se revoked effective for years b	SALCOVAL Our WHET STRAUBE EXEMPLION UN	ser section 301(G)(3) of the